

IN THE UNITED STATES DISTRICT COURT FOR  
THE EASTERN DIVISION OF TENNESSEE  
AT GREENEVILLE

JANET A. SHELTON,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	NO.
	)	
LINCOLN FINANCIAL GROUP,	)	
THE LINCOLN NATIONAL LIFE INSURANCE	)	
COMPANY,	)	
And	)	
JEFFERSON PILOT FINANCIAL INSURANCE	)	
COMPANY	)	
	)	
Defendant.	)	

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COMPLAINT

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COMES NOW THE Plaintiff, **Janet A. Shelton**, by and through counsel, Denise Terry Stapleton, and for cause of action against the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, herein states that pursuant to 28 U.S.C. §1331, this Court has jurisdiction over all civil actions arising under the Constitution, laws or treaties of the United States, and the subject matter of this cause of action.

Plaintiff states and alleges as follows:

1. Plaintiff, **Janet A. Shelton**, is a citizen of Tennessee, residing at 115 Jewel Street, Johnson City, TN 37601.

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AND STAPLETON  
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918 WEST FIRST NORTH STREET  
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2. Plaintiff is informed and believes and thereupon alleges that at all material times the Defendant, **Lincoln Financial Group**, was a corporation duly authorized and licensed to do business in the state of Tennessee with the registered agent for service of process being Corporation Service Company, 2908 Poston Avenue, Nashville, TN 37203.

3. Plaintiff is informed and believes and thereupon alleges that at all material times the Defendant, **The Lincoln National Life Insurance Company**, was a corporation duly authorized and licensed to do business in the state of Tennessee with the registered agent for service of process being Commissioner of Tennessee Department of Commerce and Insurance, 500 J. Robertson Parkway, 5<sup>th</sup> Floor, Nashville, TN 37243.

4. Plaintiff is informed and believes and thereupon alleges that at all material times the Defendant, **Jefferson Pilot Financial Insurance Company**, was a corporation duly authorized and licensed to do business in the state of Tennessee with the registered agent for service of process being Commissioner of Tennessee Department of Commerce and Insurance, 500 J. Robertson Parkway, 5<sup>th</sup> Floor, Nashville, TN 37243

5. On or about December 1995, Plaintiff's employer issued a group policy of disability insurance, and subsequently, the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company** issued to Plaintiff, a policy of insurance known as

policy number 00001007275900000, on September 1, 2005, providing, among other things, insurance coverage for:

“If, while insured, you terminate Active Service before age 60 and because of Total Disability, and if no premium is paid for you, your Life Insurance will be extended while you remain continuously Totally Disabled, but prior to your submitting proof of Permanent Total Disability. If you submit proof to Connecticut General that the disability described is a Permanent Total Disability, Connecticut General will waive all further payments of premiums for you while you remain Permanently and Totally Disabled and will pay you, in monthly installments, the amount of insurance in force on your last day of Active Service. In order to be eligible for Waiver of Premium, you must be unable to engage in any occupation for Waiver of Premium, you must be unable to engage in any occupation for wage or profit because of an injury or sickness. In order to be eligible for Total and Permanent Disability benefits, you must be unable to work for a continuous period of six months and presumably will be unable during your life to engage in any occupation for wage or profit because of an injury or sickness.”

6. In 2003, **Janet A. Shelton** had a total colectomy which resulted in chronic and explosive diarrhea, and loss of rectal tone. These symptoms require manual disimpaction.

On or about July 2006, the Plaintiff, **Janet A. Shelton**, began to suffer severe headaches, pain radiating down her legs and back pain. Ms. Shelton was diagnosed as having degenerative joint disease. Ms. Shelton then experienced right leg weakness and was subsequently diagnosed as having had a stroke.

As a result of Ms. Shelton's horrendous medical condition, which has in turn had a devastating financial impact on Ms. Shelton, she has developed severe debilitating anxiety and depression.

7. At all material times since the inception of the policy, the Plaintiff, **Janet A. Shelton**, has paid the required premiums; and policy of insurance on policy number 00001007275900000 which was in full force and effect on or about October 6, 2006. The defendants did pay Ms. Shelton benefits under this policy from October 6, 2006 through June 6, 2007, when benefits were discontinued for no medical substantiated reason.

8. The Plaintiff, **Janet A. Shelton**, gave notice of her loss and claim to the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, pursuant to the policy provisions referred to herein.

9. On or about July 6, 2006, the Plaintiff, **Janet A. Shelton**, submitted to the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, a claim for the waiver of premium and total and permanent disability benefits under this group life insurance policy.

10. The Plaintiff, **Janet A. Shelton**, provided medical proof in various forms from her health care providers indicating that as a result of her medical problems, Ms. Shelton is unable to "engage in any occupation for wage or profit."

11. The Plaintiff, **Janet A. Shelton**, alleges that the Defendants have made no good faith offer to attempt settlement of Plaintiff's claim.

12. The Plaintiff, **Janet A. Shelton**, incorporates by reference all material facts and allegations heretofore set forth in her complaint.

13. The Plaintiff, **Janet A. Shelton**, claims that the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, have violated the conditions of its own insurance disability contract, in failing to pay Plaintiff monies due her as a result of her physical condition, now being one of permanent disability which prevents the Plaintiff from engaging in any type of gainful employment.

14. The Plaintiff, **Janet A. Shelton** assumes, and therefore alleges that the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, are claiming that the claim for coverage by the Plaintiff has been denied as a result of their presumption that the Plaintiff's physical condition is not so severe as to prevent her from obtaining gainful employment.

15. The Plaintiff, **Janet A. Shelton**, alleges that the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, have breached its contract of insurance with the Plaintiff herein, and failed to honor its contract of insurance with the Plaintiff.

16. The Plaintiff alleges therefore, because of the total and material breach of said contract by the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, that they have waived any of the provisions in said contract and therefore are liable to the Plaintiff in the amount of \$16,976.00 being the amount payable for Plaintiff's proof of loss submitted heretofore. The Plaintiff's monthly benefit is \$1,061.00 per month and Plaintiff submits that the \$16,976.00 is the amount that she is due from her last payment of June 6, 2007 through the date of the filing of this complaint. Plaintiff further submits that she is entitled to the sum of \$1,061.00 per month for each month after the filing of this complaint.

17. The Plaintiff, **Janet A. Shelton**, hereby incorporates by reference all material allegations from earlier causes of action.

18. At all material times herein, the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, and others knowing that Plaintiff's claim is wholly valid and should be paid, have wrongfully and in breach of the implied covenant of good faith and fair dealing withheld and denied monies and benefits due the Plaintiff.

19. In ignoring the Plaintiff's claim and failing to expressly deny their claim for monies and benefits, the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, and other parties have acted wrongfully and unreasonably in the following respects, among others:

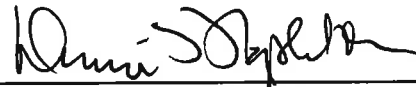
- a. Defendants' refusal to pay monies and benefits due Plaintiff under the policy in question has compelled the Plaintiff to engage legal counsel and to initiate litigation to recover such benefits.
- b. The Defendants intentionally refused to pay the monies due and owing the Plaintiff under the terms of the policy after the Plaintiff supplied doctor's statements and opinions that reflected the fact that the Plaintiff was unable to work for wages. The Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, embarked on a plan to stonewall the Plaintiff's claim by refusing to pay the same each and every time that the Plaintiff forwarded the medical evidence required to insure that the claim was valid and that payment was warranted pursuant to the terms of the policy.

**WHEREFORE, PLAINTIFF PRAYS AS FOLLOWS:**

1. That this Court enter a judgment against the Defendants, **Lincoln Financial Group, The Lincoln National Life Insurance Company, and Jefferson Pilot Financial Insurance Company**, for the full value of coverage set forth in Policy 00001007275900000, in the amount of \$16,976.00.
2. For reasonable attorneys fees incurred in the prosecution of this action, together with this costs and disbursements.

3. For such other further general relief as the Court deems just and equitable.

Respectfully Submitted,



**Denise Terry Stapleton BPR 012478**  
Counsel for Plaintiff, Janet A. Shelton

OF COUNSEL:

**TERRY TERRY & STAPLETON**  
918 West First North Street  
PO Box 724  
Morristown, TN 37814  
423.586.5800

**COST BOND**

Our firm stands as surety for all costs in this cause of action.



**Denise Terry Stapleton**

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